

 **UNITED STATES  
POSTAL SERVICE** *We Redeliver For You!*

Download Informed Delivery APP to manage your redeliveries.

**Sorry we missed you while you were out.**

Date: 12-20-23

The item was sent by: Michael

It was sent to: Glenn, Mr. & Mrs.

At this address: 715 Harbor Rd

**About the missed delivery:**

It was a:

☐ Package ☐ Letter ☒ Large envelope

☐ USPS® Smart Parcel Locker Eligible  
(Smaller than 17Hx13Wx23D)

Available for pickup date: 12-21-23

This is the: 9589071052701243947548

☒ First attempt ☐ Final notice

*Certified*



**To schedule a redelivery:**

Scan the QR code or go to  
[usps.com/redelivery](https://usps.com/redelivery)

Article number:  
**5293 0648 7472 3765**

**We have item/s for you which we could not deliver because:**

☐ It requires a payment of \$\_\_\_\_\_ for:  
\_\_\_\_\_ Postage due \_\_\_\_\_ Customs

☐ Receptacle full/item oversized

☐ No secure location available

☐ No authorized recipient available

☐ Signature required  
\_\_\_\_\_ must be 18+ years old \_\_\_\_\_ must be 21+ years old

☐ Other: \_\_\_\_\_

**Please see reverse to schedule redelivery or pickup.**

PS Form 3849, September 2022

IN THE CIRCUIT COURT OF THE STATE OF OREGON  
FOR THE COUNTY OF LANE

DAVID P. STAPLETON in his capacity as  
COURT-APPOINTED RECEIVER for the  
RECEIVERSHIP ENTITY, including ZADEH  
KICKS, LLC dba ZADEH KICKS, an Oregon  
limited liability corporation,

Plaintiff,

v.

TWENTY-TWO SHOES, LLC, a New Jersey  
limited liability company,

Defendant.

Case No. 23CV38807

(Adjunct to Case No. 22CV16510)

SUMMONS

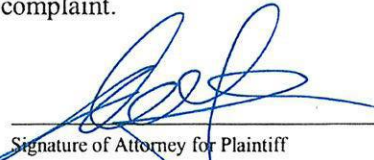
TO: Twenty-Two Shoes, LLC  
c/o Glenn McGinnis, Registered Agent  
715 Harbor Road  
Brick, NJ 08724

You are hereby required to appear and defend the complaint filed against you in the above-entitled action within thirty (30) days from the date of service of this summons upon you, and in case of your failure to do so, for want thereof, plaintiff will apply to the court for the relief demanded in the complaint.

**NOTICE TO THE DEFENDANT: READ THESE  
PAPERS CAREFULLY!**

You must "appear" in this case or the other side will win automatically. To "appear" you must file with the court a legal document called a "motion" or "answer." The "motion" or "answer" must be given to the court clerk or administrator within 30 days along with the required filing fee. It must be in proper form and have proof of service on the plaintiff's attorney or, if the plaintiff does not have an attorney, proof of service on the plaintiff.

If you have questions, you should see an attorney immediately. If you need help in finding an attorney, you may contact the Oregon State Bar's Lawyer Referral Service online at <http://www.oregonstatebar.org> or by calling (503) 684-3763 (in the Portland metropolitan area) or toll-free elsewhere in Oregon at (800) 452-7636.

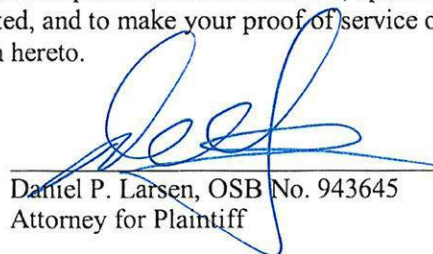


Signature of Attorney for Plaintiff

Daniel P. Larsen, OSB No. 943645  
BUCHALTER  
A Professional Corporation  
805 SW Broadway, Suite 1500  
Portland, OR 97205-3325  
Phone: 503-226-1191  
Email: [dlarsen@buchalter.com](mailto:dlarsen@buchalter.com)

Trial Attorney if Other than Above (Typed or Printed) Bar No.

**TO THE OFFICER OR OTHER PERSON SERVING THIS SUMMONS:** You are hereby directed to serve a true copy of this summons, together with a true copy of the complaint mentioned therein, upon the individual(s) or other legal entit(ies) to whom or which this summons is directed, and to make your proof of service on the reverse hereof or upon a separate similar document which you shall attach hereto.



Daniel P. Larsen, OSB No. 943645  
Attorney for Plaintiff

IN THE CIRCUIT COURT OF THE STATE OF OREGON  
FOR THE COUNTY OF LANE

DAVID P. STAPLETON in his capacity as  
COURT-APPOINTED RECEIVER for the  
RECEIVERSHIP ENTITY, including ZADEH  
KICKS, LLC dba ZADEH KICKS, an Oregon  
limited liability corporation,

Plaintiff,

v.

TWENTY-TWO SHOES, LLC, a New Jersey  
limited liability company,

Defendant.

Case No. 23CV38807

AMENDED COMPLAINT (FRAUDULENT  
TRANSFER AND UNJUST ENRICHMENT)

(Adjunct to Case No. 22CV16510)

Fee Authority: ORS 21.160(1)(c)

NOT SUBJECT TO MANDATORY  
ARBITRATION

Plaintiff David P. Stapleton, in his capacity as court-appointed receiver (“Receiver”), files  
this Complaint against Defendant Twenty-Two Shoes, LLC and alleges as follows:

**PARTIES**

1.

Plaintiff David P. Stapleton is a court-appointed receiver acting pursuant to this Court’s  
May 20, 2022, Order Appointing Receiver (“Receivership Order”) in the Lane County Circuit  
Court, Case No. 22CV16510, captioned *In re Judicial Dissolution of Zadeh Kicks LLC dba Zadeh  
Kicks*. A copy of the Receivership Order is in the court record and is incorporated herein by  
reference.

This Court appointed the Receiver to marshal and liquidate the assets of Zadeh Kicks  
 (“Receivership Entity”) and for handling claims from numerous creditors.

2.

Upon information and belief, defendant Twenty-Two Shoes, LLC (“Defendant”), is a limited liability company with its principal place of business in New Jersey.

3.

All conditions precedent to the filing of this action have occurred or been performed, excused, or waived.

### BACKGROUND

4.

Zadeh Kicks is a premium brand sneaker resale company that was formed in 2013. Zadeh Kicks established a nationwide customer base by selling online limited edition and collectable sneakers. Zadeh Kicks initially purchased sneakers and sold its inventory. Beginning in or around 2019, Zadeh Kicks began advertising, selling, and collecting payments for the purchase of sneakers before their public release dates, known as preorders. Zadeh Kicks would price the preorders at near or below the Manufacturer Suggested Retail Price, or MSRP, to drive up the number of orders received. Customers would pay for the sneakers via PayPal or wire transfer prior to their release date.

5.

In many cases, after receiving the payments, Zadeh Kicks did not have the ability to purchase the sneakers for less than the price at which it presold the sneakers. Instead, Zadeh Kicks purchased sneakers from other third-party vendors for or above retail price. In other words, Zadeh Kicks collected money for preorder sales from victim customers knowing that actually fulfilling the orders would be financially ruinous.

6.

By or near the fall of 2020, Zadeh Kicks began advertising, selling, and collecting payments from victims for preorder sneakers knowing it could not satisfy all orders placed.

1 7.

2 Instead of completely refunding customers for undelivered sneakers, Zadeh Kicks offered  
3 a combination of refunds and gift cards to those who did not receive sneakers. Zadeh Kicks would  
4 offer to “buy back” the sneakers from the customers at a premium, offering cash and gift cards in  
5 excess of the amounts paid by its customers for the sneakers. By offering gift cards for future  
6 purchases through Zadeh Kicks in the buyback scheme, Zadeh Kicks was able to keep more of  
7 the cash profits from the fraud.

8 8.

9 Zadeh Kicks received and accepted preorder sales for over 600,000 pairs of sneakers,  
10 resulting in payments of over \$70 million. Zadeh Kicks had no way of acquiring the quantity of  
11 sneakers needed to fill the number of preorders. Nevertheless, Zadeh Kicks accepted payments  
12 for orders knowing that it could not fulfill many of the orders.

13 9.

14 By April 2022, Zadeh Kicks LLC owed customers over \$70 million for undelivered  
15 sneakers, with additional millions held by customers in worthless gift cards for Zadeh Kicks.

16 10.

17 The Receiver has undertaken a detailed forensic investigation of Zadeh Kicks’ business  
18 practices, uncovering multiple instances of self-dealing, misstatements of the Receivership  
19 Entity’s financial position, and other activities intended to perpetrate a scheme by which  
20 customers made payments to Zadeh Kicks.

21 11.

22 Based on the Receiver’s investigation, Zadeh Kicks was insolvent at all material times,  
23 namely at the times the subject funds were transferred to Defendant.

24 12.

25 The Receiver’s accounting shows that Defendant received \$867,949 in the form of cash  
26 and sneakers from Zadeh Kicks in excess of funds paid to Zadeh Kicks in the period between



January 2020 and April 2022 for which Zadeh Kicks received no value. During the time that this money was sent to Defendant, based upon the books and records available to the Receiver and his forensic accounting team, it is believed that Zadeh Kicks was insolvent.

13.

The Receiver issued a letter to Defendant, at the last known address available on the books and records of the Receivership Entity, demanding return of the funds transferred. As of the filing of this Complaint, Defendant has failed to return those funds.

### **FIRST CLAIM FOR RELIEF**

#### **(ORS 95.230 and 95.240--Avoidance of Constructive Fraudulent Transfers)**

14.

The Receiver re-alleges and incorporates by reference all prior paragraphs of this Complaint as if fully set forth herein.

15.

During the Zadeh Kicks scheme, Defendant received transfers from Zadeh Kicks totaling \$867,949. Zadeh Kicks did not receive reasonably equivalent value for the transfers made to Defendant.

16.

Zadeh Kicks was (a) insolvent at the times the transfers were made, or (b) engaged in or obligated to do business in relation to which its remaining assets were unreasonably small following the transfers, or (c) intended to incur, or reasonably should have known it would incur, debts beyond its ability to pay at the time of and as a result of the transfers.

17.

As a result of the transfers, the Receivership Entity and its customers and creditors have been harmed and damaged.

18.

The Receiver is entitled to void the transfers in amounts to be proven at trial pursuant to ORS 95.230(1)(b), ORS 95.240(1), and ORS 95.260.

**SECOND CLAIM FOR RELIEF**  
**(Unjust Enrichment)**

19.

The Receiver re-alleges and incorporates by reference all prior paragraphs of this Complaint as if fully set forth herein.

20.

Zadeh Kicks provided funds to Defendant without receiving a reasonably equivalent value.

21.

Unless Defendant is ordered to pay the Receivership Entity the amount of \$867,949, together with interest at the statutory rate of 9% per annum, until paid in full, Defendant will be unjustly enriched in that amount to the detriment of the Receivership Entity.

22.

Accordingly, the Receiver, on behalf of the Receivership Entity, is entitled to a money judgment against Defendant for the total indebtedness in an amount to be proven at trial.

**PRAYER FOR RELIEF**

WHEREFORE, the Receiver respectfully prays for the following relief:

A. On its First Claim for Relief, for judgment in favor of the Receiver and against Defendant in amounts to be proven at trial to void actual fraudulent transfers;

B. On its Second Claim for Relief, for judgment in favor of the Receiver and against Defendant in an amount to be proven at trial, but no less than \$867,949 plus all interest accrued through entry of judgment, as well as post-judgment interest, at the statutory rate of 9% until the judgment is paid in full;

- 1 C. For pre- and post-judgment interest to the fullest extent permitted by law;  
2 D. For the Receiver's costs and disbursements to the fullest extent permitted by law;  
3 and  
4 E. For any other and further relief this Court deems just and equitable.

5 DATED this 1<sup>st</sup> day of November, 2023.

6 BUCHALTER  
7 A Professional Corporation

8 By /s/ Daniel P. Larsen

9 Daniel P. Larsen, OSB No. 943645  
10 Email: dlarsen@buchalter.com  
11 805 SW Broadway, Suite 1500  
12 Portland, OR 97205-3325  
13 Tel. 503.226.1191

14 Oren Bitan, *Pro Hac Vice* Application Pending  
15 Email: obitan@buchalter.com  
16 1000 Wilshire Boulevard, Suite 1500  
17 Los Angeles, CA 90017-1730  
18 Tel: 213.891.5012

19 Attorneys for Receiver  
20  
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23  
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25  
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